New Nouveau Brunswick

Labour Market Information Monthly

August 2011 Edition *Issue 8 Volume 8*

Projected trends to 2013 for the Canadian labour force *

This Month

Projected trends to 2013 for the Canadian labour force

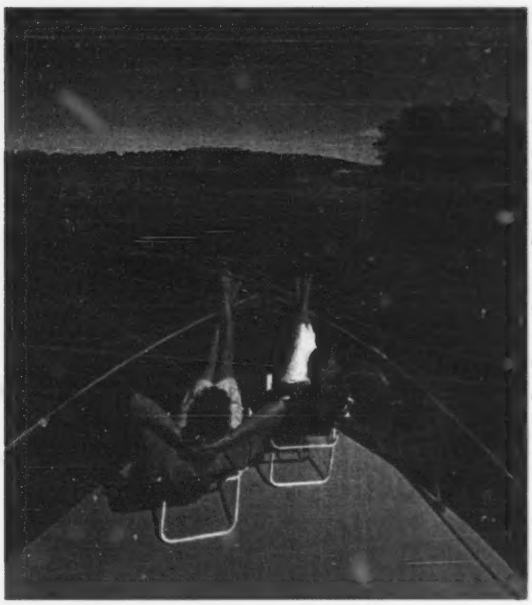
Key Labour Force Statistics

The Industry Report

Using a range of projection scenarios, the labour force is projected to grow to between 20.5 million and 22.5 million by 2031. In 2010, the labour force numbered about 18.5 million.

All scenarios suggest a slowdown in the rate of growth in the labour force, primarily because of the retirement of baby boomers. The overall participation rate, that is, the percentage of the total population aged 15 and over that is in the labour force, is also projected to decline.

Between 1971 and 1976, when the large baby-boom cohorts were entering the labour market, the labour force increased at an average rate of just over 4% a year. This growth rate slowed to about 1.4% between 2006 and 2010. By 2016, growth is projected to be less than 1% on average in all scenarios. Projections show it could slow even further to between 0.2% and 0.7% in the period from 2021 to 2026.



In four of the five scenarios, the growth is projected to stop slowing after 2026, once most baby boomers have left the labour force.

The projections also suggest that, if recent trends continue, the labour force will become older and increasingly ethnoculturally diverse. Close to one person out of four in the labour force could be aged 55 or over by 2021. There would also be higher proportions of foreign-born people and people belonging to a visible minority group (as defined by the *Employment Equity Act*) in the labour force.

Projections also show that the overall participation rate would decline and the diversity of the labour force would increase in every province.

Overall participation rate declines in all scenarios

As the growth of the labour force loses momentum, the population of seniors aged 65 and over is projected to grow increasingly rapidly as a result of population aging and the entry of the baby boomers into this age range.

Consequently, according to all scenarios, the overall participation rate is projected to decline during the next two decades.

*** From *The Daily*, August 17, 2011, Statistics Canada.**

This release is based on an article in the Canadian Economic Observer about new projections for Canada's labour force from 2011 to 2031, by which time the entire baby-boom generation will have reached the age of 65.

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

New Nouveau Brunswick

Labour Market Information Monthly

August 2011 Edition Issue 8 Volume 8

In 2010, the participation rate was 67.0%; by 2031, it is projected to range between 59.7% and 62.6%, which would be the lowest observed since the late 1970s.

The projected decline in the overall participation rate over the next two decades would be largely attributable to demographic phenomena, such as the aging of the baby-boom cohorts, increasing life expectancy and a fertility rate below the replacement level of 2.1 children per woman.

Nearly one person in four in the labour force projected to be 55 or more

The aging of the baby boomers, which is largely behind the projected decline in the overall participation rate, has had a major impact on the aging of the labour force. Between 2001 and 2009, the proportion of people in the labour force aged 55 and over rose from 10% to 17%, an increase of 7 percentage points in nine years. The first baby boomers reached the age of 55 in 2001.

This increase is projected to continue from 2010 to 2021, when the succeeding cohorts of baby boomers in turn reach 55. By 2021, according to three of the five scenarios, nearly one person in four in the labour force (roughly 24%) could be 55 years of age or over, the highest proportion on record.

Also, by 2031, the ratio of people in the labour force to seniors aged 65 and over not in the labour force, that is mostly retired people, is also projected to decline.

In 1981, there were roughly six persons in the labour force for each retiree. By 2031, or 50 years later, this ratio is projected to decline to less than three to one, according to all five scenarios. The ratio is projected to decline in every province.

About one person in three in the labour force projected to be foreign born

By 2031, roughly one in every three people in the labour force could be foreign born. Between 1991 and 2006, the percentage of foreign-born people in the labour force rose from 18.5% to 21.2%. If recent immigration levels were to continue, that proportion is projected to reach almost 33% in 2031, according to most scenarios.

For more than 20 years, Canadian immigration has come mainly from Asian countries. Consequently, between 1996 and 2006, the proportion of people in the labour force belonging to a visible minority group rose from 10% to 15%. According to most scenarios, this proportion could more than double to 32% by 2031.

Even if there were no immigration between 2010 and 2031, the proportion of people in the labour force belonging to a visible minority group would increase to about 23% in 2031.

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

This would be the result of two factors: first, the age structure of the visible minority population is younger than the general population, which means that fewer visible minority persons would retire by 2031. Secondly, the children of recent immigrants would gradually enter the labour force.

In addition, between 2006 and 2031, an increasing proportion of persons in the labour force belonging to a visible minority group is projected to be Canadian born. In 2006, Canadian-born visible minorities accounted for about 17% of all visible minority people in the labour force; by 2031, their proportion is projected to rise to roughly 25%.

Again, this increase is mainly a result of two factors: first, Canadian-born visible-minority people tend to have a high level of education, so more participate in the labour force. Second, the children of immigrants who have arrived since the early 1990s will gradually enter the labour market.

The study "The relationship between monthly, quarterly, and annual growth rates" is included in the June 2011 Internet edition of the *Canadian Economic Observer*, Vol. 24, no. 6 (11-010-X, free), from the *Key resource* module of Statistics Canada's website [http://www.statcan.gc.ca] under *Publications*.

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

New Nouveau Brunswick

Labour Market Information Monthly

August 2011 Edition

Issue 8 Volume 8

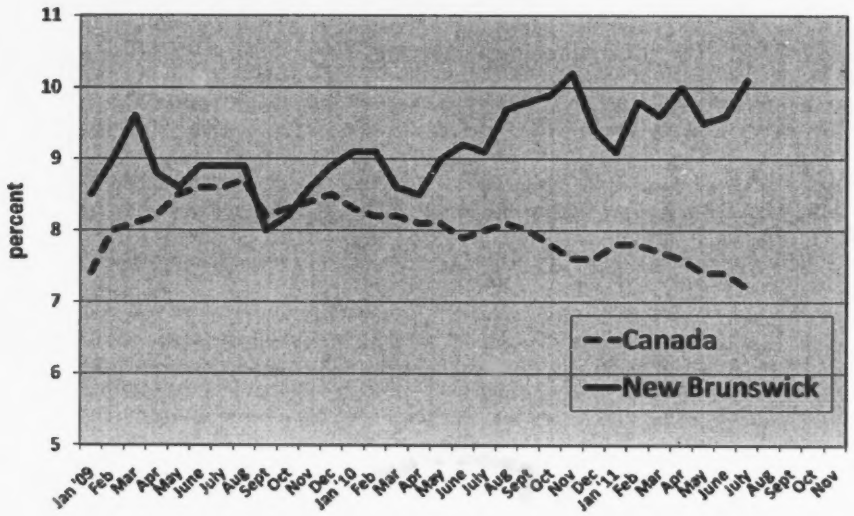
KEY LABOUR FORCE STATISTICS FOR NEW BRUNSWICK (Source: Statistics Canada Labour Force Survey)

New Brunswick	YTD	July '11	June '11	July '10
Labour Force	389,300	386,900	386,600	390,700
Employed	351,700	348,000	349,500	355,100
Unemployed	37,600	38,900	37,100	35,700
Unemployment Rate	9.7%	10.1%	9.6%	9.1%
Participation Rate	62.9%	62.5%	62.4%	63.3%
Employment Rate	56.8%	56.2%	56.4%	57.6%

CANADA COMPARED TO NEW BRUNSWICK

In July, Canada's unemployment rate was 7.2%, 0.2 of a percentage point lower than last month and 0.8 of a percentage point lower than the same month last year. New Brunswick's rate of 10.1% was 0.5 of a percentage point higher than last month and 1.0 percentage point higher compared to the same month last year, when it stood at 9.1%.

UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA



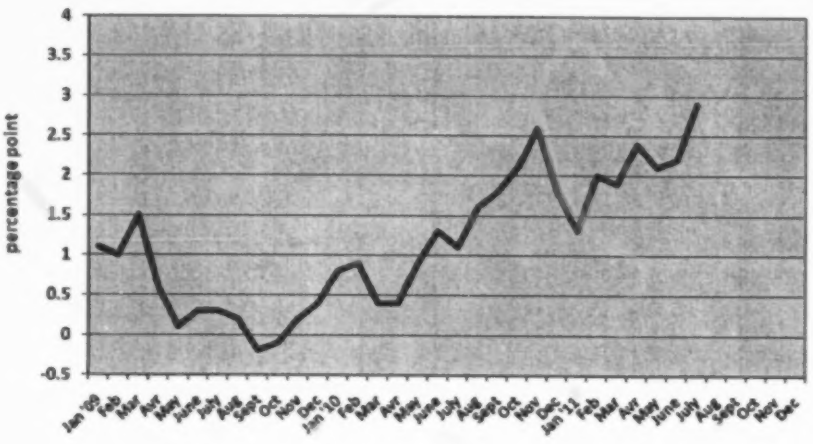
Source: Statistics Canada Labour Force Survey

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

CANADA COMPARED TO NEW BRUNSWICK (continued)

The gap between the national and provincial rates was 2.9 percentage points in July.

DIFFERENCE IN UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA

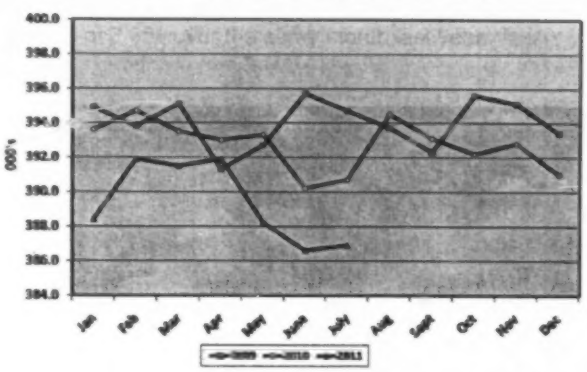


Source: Statistics Canada Labour Force Survey

THE LABOUR FORCE

New Brunswick's labour force stood at 386,900 in July. This was an increase of 300 over the previous month, but a decrease of 3,800 over the same month last year.

THE SIZE OF THE LABOUR FORCE



Source: Statistics Canada Labour Force Survey

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

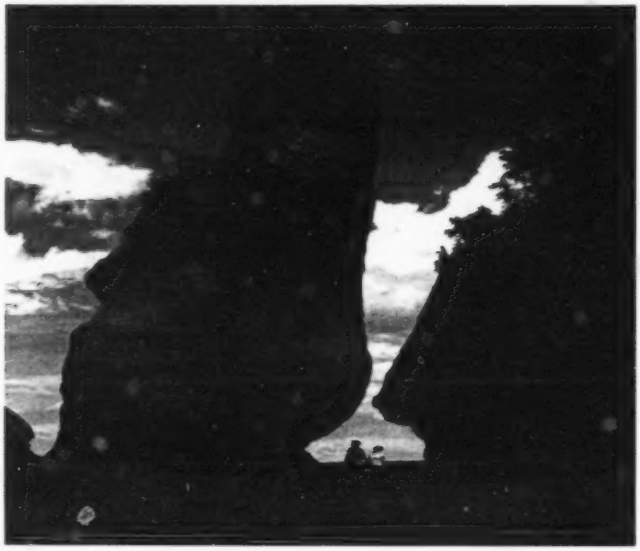
New Nouveau Brunswick

Labour Market Information Monthly

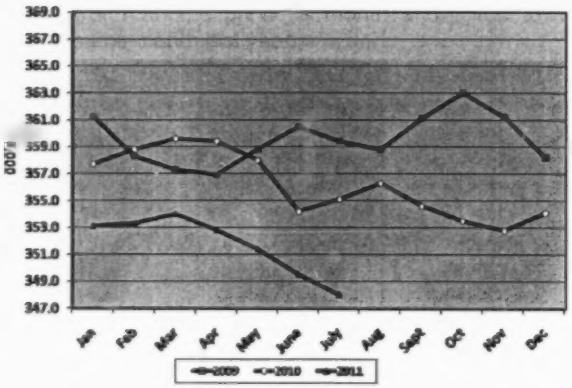
August 2011 Edition *Issue 8 Volume 8*

EMPLOYMENT

There were 348,000 people working in July. This was 1,500 fewer than the previous month and 7,100 fewer than the same month last year.



EMPLOYMENT IN NEW BRUNSWICK

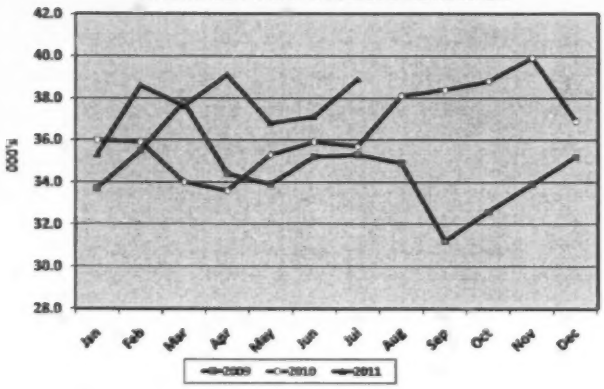


Source: Statistics Canada Labour Force Survey

UNEMPLOYMENT

There were 38,900 people unemployed and seeking work in July. This is 1,800 more than the number recorded the previous month and 3,200 more than the same month last year.

UNEMPLOYMENT IN NEW BRUNSWICK



Source: Statistics Canada Labour Force Survey

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

New Nouveau Brunswick

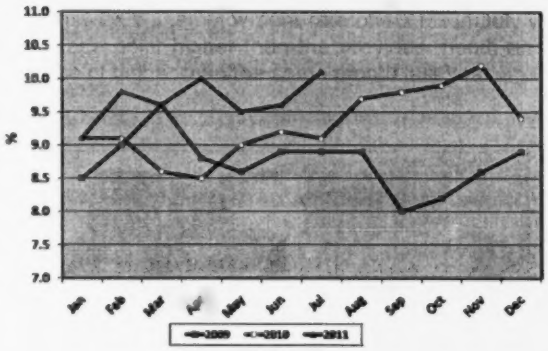
Labour Market Information Monthly

August 2011 Edition *Issue 8 Volume 8*

THE UNEMPLOYMENT RATE

New Brunswick's unemployment rate of 10.1% in July was 0.5 of a percentage point higher than the previous month and 1.0 percentage point higher than the same month last year.

THE UNEMPLOYMENT RATE IN NEW BRUNSWICK



Source: Statistics Canada Labour Force Survey

THE ECONOMIC REGIONS

Statistics Canada reports labour force statistics for the economic regions as three month moving averages of actual (not seasonally adjusted) data.

July '11	Economic Regions				
	Northeast	Southeast	Southwest	Central	Northwest
Labour Force	76,800	113,700	96,000	72,100	40,200
Employment	64,900	104,500	89,100	66,500	36,000
Unemployment	11,900	9,200	7,000	5,600	4,100
Unemployment Rate	15.5%	8.1%	7.3%	7.8%	10.2%
Participation Rate	59.4%	66.2%	66.6%	66.1%	61.8%

Economic Regions	YTD		July '11		[illegible] '10	
	Emp.	UR	Emp.	UR	Emp.	UR
Northeast	59,100	17.3%	64,900	15.5%	61,400	15.3%
Southeast	100,700	9.6%	104,500	8.1%	108,900	6.8%
Southwest	86,600	7.4%	89,100	7.3%	86,200	8.4%
Central	66,300	7.7%	66,500	7.8%	70,300	6.4%
Northwest	34,400	10.2%	36,000	10.2%	40,400	10.0%

On a year-over-year basis (July 2011 compared to July 2010), employment increased in the Northeast (+3,500) and Southwest (+2,900) regions while it decreased in the Northwest (-4,400); Southeast (-4,400); and Central (-3,800) economic regions.

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

New Nouveau Brunswick

Labour Market Information Monthly

August 2011 Edition

Issue 8 Volume 8

THE INDUSTRY REPORT—August LFS Release for July 2011

- Total industrial employment was down by 7,100 jobs (or -2.0%) in July of 2011 over July of 2010.
- Employment in the goods-producing sector was lower by 1,700 jobs in July of 2011 over July of 2010; overall employment in that sector stood at 78,700 in July of 2011.
- Employment in the services-producing sector was lower by 5,400 jobs in July of 2011 over July of 2010; overall employment in that sector stood at 269,300 in July of 2011.

Employment growth on a year-over-year basis was strongest in the following sectors*:

Public Administration
- Current employment level (July 2011): **25,300 (up 5.9% or 1,400 jobs over July 2010)**
- Record employment level (March 2009): **28,100**
- Number of consecutive months with year-over-year growth: **10**
- Number of months with year-over-year growth in the past 24 months: **12**
- Important considerations: ***Federal government hirings in the province may be contributing to this growth.***

Manufacturing
- Current employment level (July 2011): **31,900 (up 5.6% or 1,700 jobs over July 2010)**
- Record employment level (January 2004): **43,000**
- Number of consecutive months with year-over-year growth: **5**
- Number of months with year-over-year growth in the past 24 months: **10**
- Important considerations: ***A strong rebound in exports last year, and slightly improving markets south of the border, may be contributing to the growth.***

Professional, Scientific, and Technical Services
- Current employment level (July 2011): **16,600 (up 4.4% or 700 jobs over July 2010)**
- Record employment level (March 2008): **18,200**
- Number of consecutive months with year-over-year growth: **8**
- Number of months with year-over-year growth in the past 24 months: **10**
- Important considerations: ***High levels of construction and repair to bridges and roads in the province may be contributing to this increase.***

Accommodation and Food Services
- Current employment level (July 2011): **21,400 (up 4.4% or 900 jobs over July 2010)**
- Record employment level (May 2006): **26,500**
- Number of consecutive months with year-over-year growth: **2**
- Number of months with year-over-year growth in the past 24 months: **8**
- Important considerations: ***None at this time.***

* Includes the top three growth sectors, and/or any sectors that posted a 10% or greater (year-over-year) increase in employment.

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour

THE INDUSTRY REPORT—con't

Employment growth on a year-over-year basis was weaker in the following sectors:**

Forestry, Fishing, Mining, Oil and Gas

- Current employment level (July 2011): **9,700 (down 11.0% or 1,200 jobs over July 2010)**
- Record employment level (December 1994): **14,600**
- Number of consecutive months with year-over-year losses: **1**
- Number of months with year-over-year losses in the previous 24 months: **13**
- Important considerations: ***None at this time.***

Information, Culture, and Recreation

- Current employment level (July 2011): **11,600 (down 10.8% or 1,400 jobs over July 2011)**
- Record employment level (September 1999): **15,300**
- Number of consecutive months with year-over-year losses: **8**
- Number of months with year-over-year losses in the previous 24 months: **9**
- Important considerations: ***None at this time.***

Other Services

- Current employment level (July 2011): **15,300 (down 10.5% or 1,800 jobs over July 2011)**
- Record employment level (March 1999): **19,800**
- Number of consecutive months with year-over-year losses: **8**
- Number of months with year-over-year losses in the past 24 months: **8**
- Important considerations: ***This is a diverse industry grouping, making it difficult to pinpoint the sub-category which is producing the losses.***

** Includes the bottom three growth sectors and/or all sectors that posted a 10% or greater (year-over-year) decrease in employment

Produced by the Labour Market Analysis Branch (LMAB) of the Department of Post-Secondary Education, Training & Labour
P.O. Box 6000, 470 York Street, Fredericton, New Brunswick E3B 5H1
Telephone: 506-457-4859 Fax: 506-453-3780
http://www.gnb.ca/labour